

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 468 - SB 454**

March 10, 2017

**SUMMARY OF BILL:** Requires the Tennessee Wildlife Resources Agency (TWRA) to be reimbursed for lost revenue for issuing a free or partially discounted combination hunting and fishing license on or after January 1, 2017, including licenses issued to persons exempt from licensing requirements. Requires TWRA to maintain accounting records of lost revenue and to submit such accounting to the Department of Finance and Administration (F&A) for reimbursement from the General Fund on or before June 30 each fiscal year. Requires F&A to pay such revenue into the Wildlife Resources Fund within 30 days of receipt. Requires TWRA accounting to be subject to audit by the Comptroller of the Treasury (COT).

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$2,236,600/FY16-17/Wildlife Resources Fund**

**\$5,131,300/FY17-18 and Subsequent Years/Wildlife Resources Fund**

**Increase State Expenditures –**

**\$2,236,600/FY16-17/General Fund**

**\$5,131,300/FY17-18 and Subsequent Years/General Fund**

**Assumptions:**

- TWRA reports that, in FY15-16, 31,323 discounted annual licenses were issued, for a total discount of \$1,927,454.
- Further, 9,739 discounted permanent licenses were issued, for a total discount of \$233,102 in FY15-16. The recurring loss of revenue associated with these permanent licenses beginning in the second year after issuance will equal the full purchase price that would have been paid in the absence of the exemption, equating to a total of \$891,274, because no fees will be paid after the initial fee paid to first obtain the permanent licenses.
- There were also 34,009 sportspersons exempt from licensing requirements for a total loss of revenue of \$2,312,618 in FY15-16.
- The proposed bill requires reimbursement for lost revenue associated with free or partially discounted licenses issued on or after January 1, 2017, as well as lost revenue resulting from the issuance of licenses to persons who are exempt from the licensure requirements.

- It is assumed that 15,662 discounted annual licenses ( $31,323 \times 50.0\%$ ) will be issued in the second half of FY16-17, for a loss of revenue estimated to be \$963,727 ( $\$1,927,454 \times 50.0\%$ ). The recurring loss of revenue in FY17-18 and subsequent years associated with such licenses will be \$1,927,454.
- It is further assumed that 4,870 discounted permanent licenses ( $9,739 \times 50.0\%$ ) will be issued in the second half of FY16-17, for a loss of revenue of \$116,551 ( $\$233,102 \times 50.0\%$ ). The loss of revenue in FY17-18 and subsequent years associated with discounted permanent licenses will be \$891,274.
- Finally, it is assumed that 17,005 sportspersons ( $34,009 \times 50.0\%$ ) will be exempt from licensing requirements in the second half of FY16-17, for a loss of revenue of \$1,156,309 ( $\$2,312,618 \times 50.0\%$ ). The loss of revenue in FY17-18 and subsequent years associated with such licenses will be \$2,312,618.
- The increase in revenue to the Wildlife Resources Fund, and the associated increase in expenditures from the General Fund, are each estimated to be \$2,236,587 in FY16-17 ( $\$963,727 + \$116,551 + \$1,156,309$ ); and each estimated to be \$5,131,346 ( $\$1,927,454 + \$891,274 + \$2,312,618$ ) in FY17-18 and subsequent years.
- TWRA is currently audited by the COT; therefore, any fiscal impact is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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